

The Justice Department was wise in filing its antitrust lawsuit on the merger to ignore AT&T's nonsense about jobs and not even discuss jobs created or lost through the merger but focus on competition and consumer issues using antitrust law.

As for the FCC I'll say this: For once I'll actually respond to AT&T's job creation claims for its T Mobil merger and file an argument for why based on jobs the merger should be denied. AT&T has promised regulators and Main Street to create jobs post-merger but Wall Street more job losses
.http://www.pcworld.com/businesscenter/article/243421/critics_of_atandttmobile_merger_question_job_gain_estimates.html

Critics of AT&T T Mobil Merger Question Job Creation Claims: AT&T's assertions that its planned acquisition of T-Mobile USA will create up to 96,000 new U.S. jobs are "completely unfounded" and contrary to past evidence of similar mergers, one economist said Tuesday.

The jobs figure doesn't make sense when AT&T has said it will eliminate duplicate marketing, customer support and operations jobs if the merger goes through, said David Neumark, an economics professor and director of the Center for Economics and Public Policy at the University of California, Irvine.

A prediction that the merger will result in cost cutting and fewer jobs "should surprise nobody," Neumark said. "That is one of the reasons companies merge."

Neumark, who talked about his August employment study funded by merger opponent Sprint Nextel, was one of five speakers questioning AT&T employment numbers during a press conference in Washington, D.C. AT&T has acquired four mobile competitors since 2005, and in three cases, employment at AT&T after the mergers was lower than the combined employment at AT&T and the acquired carrier, Neumark said.

"Whenever I describe to my economist professor colleagues this project ... I sort of say I was evaluating whether this merger would create jobs, they sort of do a double take," he said. "That's not what mergers usually do."

From 2003 to 2010, AT&T cut jobs in all but one year, while T-Mobile added jobs in all but one year, Neumark said.

The U.S. Department of Justice has also opposed the merger.

AT&T ripped into critics, particularly Sprint. AT&T has promised to bring 5,000 overseas call center jobs to the U.S., and it has committed to invest an additional US\$8 billion in its network if the merger

goes through, said Jim Cicconi, AT&T's senior executive vice president for external and legislative affairs:

"The Communications Workers of America -- which is hardly disinterested in questions of job creation and preservation -- has backed up our commitments," Cicconi said in a statement. "We are waiting for any comparable commitments on jobs or investment from Sprint. So far, however, Sprint has done a far better job of criticizing the investment plans of others than laying out any credible plans of their own."

Sprint's disputes of AT&T's job creation are "hot air, with more than a hint of hypocrisy," he added.

The 96,000 jobs number comes from a May study from the Economic Policy Institute, commissioned by the CWA, a proponent of the merger. The institute based the numbers on AT&T's promised \$8 billion network investment. AT&T has been touting the 96,000 jobs estimate in TV ads running in the Washington area.

But AT&T has also estimated it will save \$40 billion through merger synergies. A significant amount of those savings will come from job cuts, critics have said.

It is "simply not credible" to say the merger will create jobs when AT&T is counting on payroll reductions to achieve the \$40 billion in savings, Regina Keeney, a lawyer for Sprint, wrote in a letter to the U.S. Federal Communications Commission this week. "You can't believe everything you see on TV," she said of AT&T's commercial.

CWA called Neumark's study misleading. Since 2002, the number of jobs at AT&T's mobile division has declined from 70,000 to 67,000, but Neumark has focused largely on jobs lost in AT&T's wireline division, the CWA said in a press release. T-Mobile's parent company, Deutsche Telekom, has stopped investing in the U.S. company, putting it on a "downward path" leading to job cuts, the CWA said.

Tuesday's event, organized by groups opposed to the deal, follows a request from the Media Access Project, a law firm focused on digital rights, for Washington TV station WUSA to remove the AT&T commercial. MAP Senior Vice President Andrew Jay Schwartzman called the commercial "misleading."

Schwartzman said Tuesday he plans to ask other stations to remove the advertising, after WUSA called the commercial "opinion."

Sincerely,

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